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SUBJECT: SOUTH AFRICA: AMBASSADOR GIPS MEETS WITH JOEL
NETSHITENZHE, TOP MBEKI ERA STRATEGIST

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Classified By: Political Counselor Walter N.S. Pflaumer for reasons 1.4
(b) and (d).

Summary

¶1. (C) Ambassador Gips met with former Chief of the Presidency's Policy Unit Joel Netshitenzhe on February 1. Netshitenzhe, one of the key government strategists to emerge during the past 15 years, remains engaged intellectually on all of the current issues confronting South Africa. (Note: His goal now that he is no longer in government is to establish a research institute, ideally at the University of Pretoria. End Note.) He still has thoughtful opinions on the state of South African governance, the importance of education in meeting the country's needs, the problems in neighboring Zimbabwe, and the future of South Africa's bilateral relationship with the United States. Although his influence in the African National Congress (ANC) has declined following his resignation from government, we believe his insights into party policy remain of considerable value. End Summary.

Zuma's Administration a "Hybrid of Previous Governments"

¶2. (C) Ambassador Gips, Deputy Chief of Mission La Lime, Polcouns, and Poloff (notetaker) met with Joel Netshitenzhe on February 1. Netshitenzhe, whom many consider to have been former President Thabo Mbeki's top policy adviser, began by describing his views of South African government during the past 15 years. If former President Nelson Mandela's administration was about uniting the country, then Mbeki's presidency was about "work" and "dealing with issues," according to Netshitenzhe. He said, "(President Jacob) Zuma's presidency is about both elements of unity and work." (Note: Netshitenzhe's views on the character of the administrations are telling because he was a senior official in all of them. End Note.) Netshitenzhe pointed to the National Planning Commission as a new way of making sure government works. He said, "The commission means the South African Government will have a long term vision for this first time." Netshitenzhe hopes that the long term vision will unite the country and create space for public-private partnerships. He judged that Minister in the Presidency for National Planning Trevor Manuel's role in government will not be easy as it "will take a long time before there is an agreed upon national vision." However, he said it is important the government identifies objectives that can be

met, finds ways of meeting those objectives, and creates new objectives for the future.

13. (C) Netshitenzhe said the best way of ensuring the government makes progress is for Minister in the Presidency for Monitoring and Evaluation Collins Chabane to be empowered to push the Cabinet for concrete results. He said, "Chabane's office should be capable of monitoring government performance with evidence." Netshitenzhe admitted, "South Africa is at a critical juncture with regards to planning and policymaking." Ambassador Gips agreed with Netshitenzhe about the importance of planning, and mentioned he had met with Chabane recently for a conversation about how the USG could help the Minister. Netshitenzhe said, "That is great to hear. Such exchanges will be very useful." He added that the South African Government had recently met with planning commissions in Malaysia, South Korea, Chile, Tunisia, Brazil, and India. He said, "Malaysia and South Korea had the most to offer in terms of strategies for planning." He noted that Chile and Tunisia's planning strategies were good models for reducing poverty. He also confided that South Africa found India's planning strategy as "too rigid" and Brazil's as "having too many divisions."

"Education" Key to Meeting South Africa's Greatest Challenges

14. (C) Ambassador Gips asked Netshitenzhe what he would do if he was still in government to confront challenges such as poverty, inequality, skill shortages, and poor service delivery. Netshitenzhe said everything in South Africa comes back to "education, education, education" for the future. His experience in government taught him that even though high

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economic growth can lead to the alleviation of some poverty and some minimum reductions in inequality, "growth on its own is inadequate." He added, "For instance, the biggest paradox was that even as inequality shrank between racial categories, it grew rapidly within racial categories." Netshitenzhe said because growth was not enough, the government under Mbeki pushed for -- and supported -- growth for microeconomic enterprises and skills development. He lauded the launch of Mbeki's Accelerated and Shared Growth Initiative in South Africa as an example of how the administration pushed for skills. He said he is worried that South Africa is not confronting inequality fast enough. He noted, "Poverty does not lead to crime, but inequality definitely leads to crime. We have to address this."

Zimbabwe "Depends on Its Leaders"

15. (C) Netshitenzhe said Zimbabwe remains a complex issue. He said, "Ultimately, everything depends on Zimbabwe's leaders." Netshitenzhe said there is a growing sense within moderate camps of Robert Mugabe's Zimbabwe African National Union-Patriotic Front (ZANU-PF) and Morgan Tsvangirai's Movement for Democratic Change (MDC-T) that a solution must be found. Netshitenzhe said South Africa and all sides in Zimbabwe are asking whether there has been sufficient work on the Global Political Agreement (GPA), which he sees as "the only way forward." In his view, ZANU-PF must settle succession before there is real progress because "every disagreement in Zimbabwe right now has as much to do with tension over succession as it does with tension between Mugabe and Tsvangirai." He said, "What must happen is ZANU-PF needs to be convinced that its success is tied to the GPA succeeding." However, he sees this as a challenge and claimed the "GPA would be in ZANU-PF's self-interest if it cared." Netshitenzhe continued, "ZANU-PF would be wise to put succession to the side so it can promote a message of delivery on the GPA to the public ahead of the next elections." He added, "Without showing progress, ZANU-PF

will be in trouble at the polls."

Netshitenzhe Offers Views on the Bilateral Relationship

¶6. (C) Netshitenzhe said the character of administrations in the United States provides complexity to the bilateral relationship. He said, "There was an ideal relationship between President Mandela and President Clinton and Deputy President Mbeki and Vice President Gore." However, he stressed that some of the bilateral mechanisms in place during the 1990s did not always lead to follow-ups, which was a "failing for both sides." During the Bush administration, Netshitenzhe said South Africa disagreed with such U. S. policies as the invasion of Iraq and sanctions on Zimbabwe. However, he lauded what the previous administration did to combat HIV/AIDS. He pointed to great potential for the relationship now that both countries have new leaders. He stressed how the leadership of both Zuma and President Obama could lead to a partnership between the countries to fight poverty, tackle the global economic crisis, and cooperate on climate change. He said, "The Binational Commission is Qclimate change. He said, "The Binational Commission is wonderful, but probably not as strong as the relationship between (Secretary) Clinton and (Minister of International Relations and Cooperation) Nkoana-Mashabane." Ambassador Gips asked for Netshitenzhe's views on the way forward for AFRICOM. Netshitenzhe said, "Making sure U. S. military interests match South African interests should be the top priority." He added, "You can keep people happy by making sure they do not see the U. S. as colonizers."

¶7. (C) Ambassador Gips asked Netshitenzhe what he thought would be the best way of dealing with the ANC moving forward. Netshitenzhe said, "It is not easy for me to say." (Note: Netshitenzhe's answer probably demonstrates how marginalized he has become now that Mbeki is no longer leading the party. He retains, however, his place on the ANC National Executive Committee. End Note.) He related that the Chinese are easy for the ANC to deal with because everything is at the party-to-party level. He noted, "The Chinese support the party more than anything else. Maybe it would be good for the ANC to have party-to-party ties with U. S. political parties."

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Comment

¶8. (C) Netshitenzhe remains engaged intellectually on all of the current issues confronting South Africa, and his opinions matter to many within the senior leadership of the ANC, who respect his role in government over the past 16 years. Many observers believe his star went into decline when he was mentioned as a potential candidate for the ANC presidency in ¶2007. He, nonetheless, still has valuable insights into what current Ministers such as Trevor Manuel, Collins Chabane, and Maite Nkoana-Mashabane are doing and thinking, and into the debates within the party on future policy. End Comment.
GIPS